



UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
**DIVISION OF ENFORCEMENT**  
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January 4, 2019

**VIA ECF & FAX (212) 807-7949**

The Honorable P. Kevin Castel  
United States Courthouse  
500 Pearl Street, Courtroom 11D  
New York, NY 10007-1312

*Re:* SEC v. Rashid, No. 17-cv-8223-PKC (S.D.N.Y.)

Dear Judge Castel:

The United States Securities and Exchange Commission (the “Commission” or “SEC”), pursuant to your Honor’s Rule of Individual Practices (1)(B), respectfully submits this letter seeking a stay of this case, and an extension of the current fact discovery deadline because of the ongoing partial government shutdown. The SEC also seeks leave to submit a revised Case Management Order (“CMO”) once the shutdown ends. While Defendant Mohammed Ali Rashid (“Rashid”) previously sought and received a discovery extension on July 31, 2018 (Doc # 46), this is the first time the SEC is seeking a stay or extension of the discovery deadline in this case. We have conferred with Rashid’s counsel and understand that Rashid does not agree with our request, and plans to file a response as early as possible today.

The Commission seeks this stay solely because of the current lapse in its appropriations and the resulting shutdown. The SEC currently is closed and does not have funding appropriations to conduct discovery, travel, or other necessary tasks. My co-counsel, Duane Thompson, and I are currently designated as “excepted” employees in order to be able to seek the stay and other relief sought by this letter, but have been informed that the agency intends to place us on furlough status as soon as possible. Accordingly, the SEC is seeking a stay of all case management deadlines that have not already passed.<sup>1</sup>

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<sup>1</sup> This request explicitly does not seek to extend any deadlines that have already passed. Insofar that the Parties have any dispute about untimely discovery, they reserve all rights to bring those issues to the Court, but this request does not extend any disputed deadlines nor does it resolve those issues.

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The current deadline to complete fact discovery in this case is January 25, 2019. The SEC requests an extension of this fact discovery deadline of 45 days past the day that the SEC's shutdown ends. A forty-five day period would be appropriate because a number of depositions will need to be rescheduled, including Rashid's deposition, which was scheduled for three days in Florida; Rashid's depositions of two attorneys from Paul, Weiss, Rifkind, Wharton & Garrison LLP; the SEC's resumed deposition of Glen McGorty and its deposition of another partner from Crowell & Moring LLP; Rashid's deposition of a fact witness from BDO USA, LLP; and Rashid's deposition of another non-party fact witnesses in Los Angeles. In addition, because the expert discovery deadline is keyed to the fact discovery deadline, expert discovery would also need to be extended. This proposed extension will allow the Parties to complete discovery in a timely matter once the SEC is able to properly conduct discovery, travel, and perform other related tasks.

Finally, the SEC seeks leave to submit a revised, agreed CMO for the Court's consideration within four business days of the date the SEC's shutdown ends. We anticipate proposing proportionate extensions of other deadlines based on the ultimate fact discovery deadline reached.

The SEC is seeking this stay, extension of the fact discovery deadline, and leave to submit a reverse CMO at a later date only because of the current lack in federal appropriations and resulting shutdown. It is not seeking this relief for reason of delay.

Respectfully submitted,



James M. Carlson

cc: Gregory Kehoe, Esq.  
Theresa Van Vliet, Esq.